

SUBEX LTD							
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037							
Statement of Consolidated Unaudited Results for the Quarter and Nine months ended December 31 2013							
(Rs. In Lakhs except per share data)							
PART - I							
	Particulars	CONSOLIDATED					
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the nine months ended	For the nine month ended	Previous Year ended
		31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
	Net Sales/ Income From Operations						
	Product & Product related Services	9,144	8,544	8,720	25,464	22,775	30,734
		-	-	340	-	2,287	2,324
	Total Income From Operations (Net)	9,144	8,544	9,060	25,464	25,062	33,058
2	Expenses						
(a)	Cost of Hardware, Software & Services	202	285	194	670	620	817
(b)	Employee Benefits Expense and Sub-contract charges	4,544	4,576	4,910	13,512	16,483	20,669
(c)	Other Expenditure	1,753	1,595	1,934	5,031	5,412	6,981
(d)	Depreciation and Amortisation Expense	60	60	97	186	340	427
(e)	Exchange Fluctuation (Gain)/Loss-Net	1,379	305	(352)	593	214	655
	Total Expenses	7,938	6,821	6,783	19,992	23,069	29,549
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	1,206	1,723	2,277	5,472	1,993	3,509
4	Other Income						
	Miscellaneous Income	3	40	47	50	77	89
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3+4)	1,209	1,763	2,324	5,522	2,070	3,598
6	Finance Costs						
(a)	Interest on FCCB (Refer Note 10)	896	864	781	2,536	1,436	2,212
(b)	Interest on Term Loan (Refer Note 10)	215	215	47	620	74	2,612
(c)	Other Borrowing Cost	651	592	617	1,928	2,058	386
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5+6)	(553)	92	879	438	(1,498)	(1,612)
8	Exceptional Items (Net Expense) (Refer Note 2)	-	-	-	-	3,997	3,997
9	Profit / (Loss) From Ordinary activities before Tax (7+8)	(553)	92	879	438	(5,495)	(5,609)
10	Tax Expense (Net) (Refer Note 11)	291	(64)	111	384	343	386
11	Net Profit / (Loss) From Ordinary activities after Tax (9+10) (Refer Note 4)	(844)	156	768	54	(5,838)	(5,995)
12	Paid up Share Capital - Equity (Face value of Rs. 10/-)	16,664	16,664	15,938	16,664	15,938	16,664
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	5,836
14	Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised in case of the interim periods):						
	Basic	(0.51)	0.09	0.48	0.03	(4.57)	(4.40)
	Diluted	(0.51)	0.09	0.45	0.03	(4.57)	(4.40)
PART - II							
A	PARTICULARS OF SHAREHOLDING						
1	Aggregate of Public shareholding:*						
	Number of shares	158,366,608	153,182,840	143,920,673	158,366,608	143,920,673	149,946,715
	Percentage of holding (to total shareholding)	95.04%	91.92%	90.30%	95.04%	90.30%	90.65%
2	Promoters and promoter group						
	Shareholding						
a)	Pledged/Encumbered						
	- Number of shares	6,474,044	6,474,044	8,474,044	6,474,044	8,474,044	8,474,044
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of shares (as a% of the total share capital of the company)	3.89%	3.89%	5.32%	3.89%	5.32%	5.12%
b)	Non-encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
* Total public shareholding as defined under clause 40A of the listing agreement (excludes underlying shares for GDRs)							
	Global Depository Receipts	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the nine months ended 31/12/2013	For the nine month ended 31/12/2012	For the Twelve Months ended 31/03/2013
	- Number of underlying Equity Shares	1,799,310	6,983,078	6,989,399	1,799,310	6,989,399	6,989,399
	- Percentage of Share Holding	1.08%	4.19%	4.38%	1.08%	4.38%	4.23%
B	INVESTOR COMPLAINTS	3 Months ended 31/12/2013					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed off during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					

Notes :						
1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 12th, 2014, and the statutory auditors have carried out a 'Limited Review' of the same.					
2	Exceptional items comprise - (Rs in Lakhs)					
	Particulars	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the nine months ended 31/12/2013	For the nine month ended 31/12/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Previous Year ended 31/03/2013 Audited
	Goodwill Impairment*	-	-	-	-	927
	Exceptional Provision for Doubtful trade and other receivables**	-	-	-	-	3,070
	TOTAL	-	-	-	-	3,997
	*The company had impaired goodwill outstanding in books pertaining to its services business during the year ended March 31, 2013. As an impairment in goodwill is not considered to be regular adjustment in the results, the same has been categorised as an exceptional item.					
	**During the year ended March 31, 2013, the Company carried out an assessment of its receivables and an amount of Rs. 3,070 lakhs has been provided towards doubtful receivables. Considering that the amount of provision towards doubtful receivables was significant and relevant in understanding the financial performance, it has been disclosed separately under exceptional item.					
3	Summary of key standalone financial results is as follows: (Rs in Lakhs)					
	Particulars	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the nine months ended 31/12/2013	For the nine month ended 31/12/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Previous Year ended 31/03/2013 Audited
	Net Sales/ Income from Operations	8,203	7,246	7,737	22,027	19,614
	Profit / (Loss) from ordinary activities before tax	(671)	(442)	843	(492)	(2,821)
	Profit / (Loss) from ordinary activities after tax	(799)	(14)	843	(272)	(2,821)
4	As permitted under the Proposal approved by the Hon'ble High Court of Karnataka, which was given effect in the year ended March 31, 2011, the Company transferred certain amounts standing to the credit of Capital Reserve to the Business Restructuring Reserve (BRR) and utilised the same for permitted utilisations as under. Had the Proposal not provided for the above accounting treatment.					
	(Rs in Lakhs except per share data)					
	Particulars	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the nine months ended 31/12/2013	For the nine month ended 31/12/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Previous Year ended 31/03/2013 Audited
	Revenue would have been lower by	-	-	-	-	959
	Other Expenditure would have been higher by	-	81	-	81	-
	Expenses termed as Exceptional Items would have been higher / (lower) by	-	-	-	-	359
	Net (loss) / profit would have been (higher) / lower by	-	(81)	-	(81)	(1,318)
	Earnings / (Loss) Per Share would have been					
	-Basic	(0.55)	0.05	0.48	(0.02)	(5.61)
	- Diluted	(0.55)	0.05	0.45	(0.02)	(5.61)
5	The Company had received a demand of service tax of Rs.3608 Lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company had filed an appeal contesting the demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore. During the period, CESTAT, without expressing any opinion, has remanded the appeal back to the adjudicating authority and dispensed with the requirement of pre-deposit.					
6	During the year ended March 31, 2013, the Company had assessed the carrying value of goodwill arising from its investment in its subsidiary viz. Subex Americas Inc., amounting to Rs.18,606 Lakhs. Based on the management's assessment, there was no impairment of such goodwill taking into account the future operational plans and cash flows as prepared by the management and accordingly, no impairment loss was required to be recognized. The Company anticipates achieving its projections by the year end, and accordingly no provision is considered necessary as at December 31, 2013. This is a matter of emphasis in the review report issued by the auditors.					
7	The excess of the managerial remuneration paid to the directors over the limits prescribed in Schedule XIII of the Companies Act, 1956 for the financial year ended March 31, 2013 amounting to Rs.124 Lakhs is being treated as monies due from such directors, considered as recoverable and being held by them in trust for and behalf of the Company. The Company is in the process of recovering the same.					

8		SEGMENT REPORTING:						(Rs in Lakhs)
		Consolidated						
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the nine months ended	For the nine month ended	Previous Year ended	
		31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenue:							
	(a) Products & Product related	9,144	8,544	8,720	25,464	22,775	30,734	
	(b) Services (Refer Note 9)	-	-	340	-	2,287	2,324	
		9,144	8,544	9,060	25,464	25,062	33,058	
2	Segment Profit/(Loss) before tax, interest & exceptional Items							
	(a) Products & Product related	1,264	1,812	1,096	5,687	1,038	4,203	
	(b) Services (Refer Note 9)	-	-	1,228	-	1,032	(605)	
		1,264	1,812	2,324	5,687	2,070	3,598	
	Less: Interest (Net)	1,762	1,671	1,445	5,084	3,568	5,210	
	Less : Other Unallocable expenses	55	49	-	165	3,997	-	
	Less : Exceptional items [Net]	-	-	-	-	-	-	
	(a) Products & Product related	-	-	-	-	-	3,070	
	(b) Services	-	-	-	-	-	927	
	Profit Before Taxation	(553)	92	879	438	(5,495)	(5,609)	
3	Details of Capital Employed							
	(a) Products & Product related	98,862	98,696	93,784	98,862	93,784	97,200	
	(b) Services (Refer Note 9)	230	404	(250)	230	(250)	(267)	
	(c) Unallocated	(83,327)	(84,440)	(69,360)	(83,327)	(69,360)	(74,434)	
9	Service line business of the Company has been discontinued with effect from 01.04.2013. The capital employed for the quarter and nine months ended 31/12/2013 with regard to the Services segment represents the balance of trade receivables pending collections.							
10	Interest on FCCB for the quarter and nine months ended 31/12/2013 amounting to Rs. 896 lakhs and 2536 lakhs respectively,(Previous period Rs 781 lakhs and Rs.1436 lakhs respectively) is payable on redemption on 7th July 2017.Interest on term loan for the quarter and nine months ended 31/12/2013 amounting to Rs.108 lakhs and Rs.317 lakhs respectively (Previous period : Rs Nil lakhs and Rs Nil lakhs respectively) is due for payment on 21st August 2016.							
11	Tax expense for the quarter and nine months ended 31/12/2013 includes a tax charge of Rs 101 lakhs and tax credit (net) of Rs11 lakhs respectively.(Previous period : Rs 7 Lakhs and Rs 27 Lakhs respectively) relating to taxes of prior years.							
12	Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period.							
13	Pursuant to clause 41 of the Listing Agreement, the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges where the securities of the Company are listed and are also being posted on the Company's website www.subex.com.							
<p><i>Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.</i></p>								
By Order of the Board								
Mumbai								
Date: 12th February, 2014								
						Surjeet Singh Managing Director & CEO		
<i>For further details on the results, please visit our website: www.subex.com</i>								

SUBEX LTD						
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037						
Statement of Standalone Unaudited Results for the Quarter and Nine months ended December 31 2013						
PART I		(Rs. In Lakhs except per share data)				
Particulars	STANDALONE					
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Nine Months ended	For the Nine Months ended	Year ended
	31/12/2013 Unaudited	30/09/2013 Unaudited	31/12/2012 Unaudited	31/12/2013 Unaudited	31/12/2012 Unaudited	31/03/2013 Audited
1	Income From Operations					
	Net Sales/ Income From Operations	8,203	7,246	7,737	22,027	19,614
	Total Income From Operations (Net)	8,203	7,246	7,737	22,027	19,614
2	Expenses					
	Cost of Hardware, Software & Services	49	199	45	284	172
	Employee Benefits Expense	1,659	1,602	1,604	4,840	5,130
	Marketing and Allied Service Charges	3,778	3,470	3,372	10,149	9,727
	Other Expenditure	872	1,339	904	3,359	2,523
	Depreciation and Amortisation Expense	40	40	50	123	180
	Total Expenses	6,398	6,650	5,975	18,755	17,732
3	Profit From Operations before Other Income, Finance costs and Exceptional Items (1-2)	1,805	596	1,762	3,272	1,882
4	Other Income					
	Miscellaneous Income	45	74	78	164	108
	Exchange Fluctuation Gain/(Loss)-Net	(992)	325	356	482	301
5	Profit From Ordinary activities before Finance costs and Exceptional Items (3+4)	858	995	2,196	3,918	2,291
6	Finance Costs					
	Interest on FCCB (Refer Note 8)	896	864	781	2,536	1,436
	Other Borrowing Costs	633	573	572	1,874	2,012
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional Items (5+6)	(671)	(442)	843	(492)	(1,157)
8	Exceptional Items (Net Expense)(Refer Note 2)	-	-	-	-	1,664
9	Profit / (Loss) from Ordinary activities before Tax (7+8)	(671)	(442)	843	(492)	(2,821)
10	Tax Expense (Net) (Refer Note 9)	128	(428)	-	(220)	-
11	Net Profit / (Loss) from Ordinary activities after Tax (9+10) (Refer Note 3)	(799)	(14)	843	(272)	(2,821)
12	Paid up Share Capital - Equity (Face value of Rs 10/-)	16,664	16,664	15,938	16,664	15,938
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					16,870
14	Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised in case of the interim periods):					
	Basic	(0.48)	(0.01)	0.53	(0.16)	(2.21)
	Diluted	(0.48)	(0.01)	0.47	(0.16)	(2.21)
PART II						
A PARTICULARS OF SHAREHOLDING:						
1 Aggregate of Public shareholding:*						
	Number of shares	158,366,608	153,182,840	143,920,673	153,182,840	143,920,673
	Percentage of shareholding (to total shareholding)	95.04%	91.92%	90.30%	95.04%	90.30%
2 Promoters and promoter group shareholding						
Pledged/Encumbered						
	- Number of shares	6,474,044	6,474,044	8,474,044	6,474,044	8,474,044
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	3.89%	3.89%	5.32%	3.89%	5.12%
Non-encumbered						
	- Number of Shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
* Total public shareholding as defined under clause 40A of the listing agreement (excludes underlying shares for GDRs)						
Global Depository Receipts		3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the Nine Months ended 31/12/2013	For the Nine Months ended 31/12/2012
	- Number of underlying Equity Shares	1,799,310	6,983,078	6,989,399	6,983,078	6,989,399
	- Percentage of Share Holding	1.08%	4.19%	4.38%	4.19%	4.38%
Particulars		3 Months ended 31/12/2013				
B INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	Nil				
	Disposed off during the quarter	Nil				
	Remaining unresolved at the end of the quarter	Nil				

Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 12th, 2014, and the statutory auditors have carried out a Limited Review of the results

2 Exceptional items comprise -

(Rs. In lakhs)

Particulars	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the Nine Months ended 31/12/2013	For the Nine Months ended 31/12/2012	Year ended 31/03/2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exceptional Provision for Doubtful trade and other receivables*	-	-	-	-	1,664	1,664
TOTAL	-	-	-	-	1,664	1,664

3 *During the Year ended March 31, 2013, the Company carried out an assessment of its receivables and an amount of Rs. 1,664 Lakhs was provided towards doubtful receivables. Considering that the amount of provision towards doubtful receivables was significant and relevant in understanding the financial performance, it has been disclosed separately under exceptional item.

4 As permitted under the Proposal approved by the Hon'ble High Court of Karnataka, which was given effect in the year ended March 31, 2011, the Company transferred certain amounts standing to the credit of Capital Reserve to the Business Restructuring Reserve (BRR) and utilised the same for permitted utilisations as under. Had the Proposal not provided for the above accounting treatment.

(Rs. In lakhs)

Particulars	3 Months ended 31/12/2013	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 31/12/2012	For the Nine Months ended 31/12/2013	For the Nine Months ended 31/12/2012	Year ended 31/03/2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue would have been lower by	-	-	-	-	206	206
Other Expenditure would have been higher by	-	(81)	-	(81)	-	-
Loss under Exceptional items would have been higher by	-	-	-	-	1,112	1,112
Net (loss) / profit would have been (higher) / lower by	-	(81)	-	(81)	1,318	(1,318)
Earnings / (Loss) Per Share would have been						
- Basic	(0.48)	(0.06)	0.53	(0.16)	(3.24)	(3.35)
- Diluted	(0.48)	(0.06)	0.47	(0.16)	(3.24)	(3.35)

5 The Company had received a demand of service tax of Rs.3608 Lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company had filed an appeal contesting the demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore. During the half year, CESTAT, without expressing any opinion, has remanded the appeal back to the adjudicating authority and dispensed with the requirement of pre-deposit.

6 In the opinion of the management, considering the future operational plans and cash flows projected as of March 31, 2013 for its subsidiary Subex Americas Inc, the net amounts recoverable from such subsidiary of Rs. 18,718 Lakhs of trade receivables and loans and advances of Rs. 1,916 lakhs have been considered good and recoverable. Based on the management's assessment carried out during the year ended March 31, 2013, there was no diminution, other than temporary, in the carrying value of its investment in its subsidiary of Rs.12,496 Lakhs and accordingly, no provision was required to be made. The Company anticipates achieving its projections by the year end, and accordingly no provision is considered necessary as at December 31, 2013. This is a matter of emphasis in the review report issued by the auditors.

7 The excess of the managerial remuneration paid to the directors over the limits prescribed in Schedule XIII of the Companies Act, 1956 for the financial year ended March 31, 2013 amounting to Rs.124 Lakhs is being treated as monies due from such directors, considered as recoverable and being held by them in trust for and behalf of the Company. The Company is in the process of recovering the same.

Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.

8 Interest on FCCB for the quarter and nine months ended 31/12/2013 amounting to Rs. 896 lakhs and 2536 lakhs respectively, (Previous period : Rs 781 lakhs and Rs.1436 lakhs respectively) is payable on redemption on 7th July 2017.

9 Tax expense for the quarter and nine months ended 31/12/2013 includes a tax charge of Rs 101 lakhs and tax credit (net) of Rs 272 lakhs respectively. (Previous period : Rs Nil I and Rs Nil respectively) relating to taxes of prior years.

Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period.

Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.

By Order of the Board

Mumbai
Date: 12th February, 2014

Surjeet Singh
Managing Director & CEO

For further details on the results, please visit our website: www.subex.com